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UNITED STATES DEPARTMENT OF AGRICULTURE
2. U. S. Commodity Stabilization Service

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THE 1960 CONSERVATION RESERVE

A General Explanation //

The Conservation Reserve of the Soil Bank provides for the withdrawal of cropland from production, helping to adjust total crop production more nearly in line with demand. At the same time, it provides that farmers establish and maintain sound conservation practices on the land they put in the Reserve.

It is a voluntary program, under which farmers sign contracts to take part for a definite period of years. In return, the Government assists producers (1) by sharing the cost of establishing conservation practices, and (2) by making annual payments during the period each contract is in effect.

The 1960 crop year will be the fifth year of the Conservation Reserve. A total of about 23 million acres is now in the program, put there under contracts signed in 1956, 1957, 1958, and 1959.

Each acre of cropland put in the Conservation Reserve will reduce the number of acres available for harvested crops, thus helping materially in the overall production adjustment effort. Since these same acres must be protected by such cover as grasses, trees, and shrubs, the program also assures major progress in the conservation of our soil, water, forest, and wildlife natural resources.

Major Changes for 1960

Several changes to be effective under contracts which begin in 1960 have been made in the Conservation Reserve to strengthen its operation and make it more effective. These changes include:

1. Cropland the ownership of which has changed since December 31, 1956 is not eligible unless the change in ownership occurred because of inheritance as a result of the death of the previous owner.
2. Land included in farms covered by contracts which have been terminated with respect to all land under contract is not eligible to be placed in the Conservation Reserve for a period of 36 months following the termination of the previous contract.
3. Land owned by a State, county, town, or other local unit of government or by certain clubs and associations is not eligible.

4. Land which is rented for cash or a fixed amount of a commodity will not be approved for a contract at an annual rate higher than the rent per acre paid for the land.
5. A farm which has been operated by or with tenants during 1958 and 1959 will not be eligible for a contract unless tenants are designated on the contract to share in the annual payment.
6. A farm that was idle during both 1958 and 1959 is not eligible for a contract unless the farm was idle as a result of a Conservation Reserve contract or an Acreage Reserve agreement.
7. In general, when a producer who has a Conservation Reserve contract on part or all of his land loses control of the land under contract the contract is terminated for that land. There are three conditions applicable for 1960 contracts under which the contract may be continued:
 - The person who acquires control of the land was a party to the terminated contract;
 - The land over which control was lost was under a Conservation Reserve contract for at least 3 years prior to termination;
 - The producer acquires control of the contracted land by inheritance.

In addition to the above major changes in the Conservation Reserve program for 1960, a change in the method of approving applications for contracts has been made. The principal change is that applications offering land for which 1960 is the first year of the contract period cannot be accepted for contract unless the rate offered by the applicant is below the basic rate established for the land offered.

HOW TO OFFER LAND TO THE CONSERVATION RESERVE

A farmer who is interested in offering cropland to the Conservation Reserve will follow this procedure:

1. Ask the county Agricultural Stabilization and Conservation committee to establish a basic annual per-acre rate for the land he will offer. There is a form for this purpose which includes space for designation of the acreage on which the rate is requested. In addition, the rate request form has spaces for crop acreage and yield history. This request for rates must be filed with county ASC offices any time from August 24 through September 10, 1959.
2. Based on information supplied in the request for establishment of a rate and on other records, the county ASC committee will establish the requested basic rate. The applicant will be provided the rate on the same form which is used in applying for a contract. The form has spaces for the applicant to make his offer

at the rate at which he is willing to place the specified acreage under a Conservation Reserve contract. There is also space for the applicant to indicate the length of time for which he is willing to contract.

3. The application for a contract may be completed and filed with the county ASC office during the period September 14 through September 25, 1959. If the application is not filed during that period, the county ASC committee will consider that the applicant has no further interest in the Conservation Reserve. The application cannot be reinstated at a later date.
4. After the September 25 deadline for filing applications, the county ASC committee will determine a competitive rating for each eligible application.
5. Contracts will then be offered to applicants on the basis of the competitive rating of each application and within the limitation of available funds and acreage ceilings.
6. After the contract is signed by the applicant, it must be approved by the county ASC committee.

ELIGIBLE LAND

Land eligible for the Conservation Reserve (called "eligible land") includes:

1. Any land from which a crop was harvested or which was in a regular crop rotation during the year immediately before the first year of a Conservation Reserve contract.
2. Land from which tame hay was harvested for hay or silage in three of the four years 1956-1959. Tame hay is defined as a stand of perennial grasses or legumes normally established for hay by land preparation and seeding.

LAND NOT ELIGIBLE

Land is not eligible for the Conservation Reserve when --

1. Planted to small fruit, vineyards, nursery stock, orchard, or nut trees. (Land between the rows of these crops also is not eligible.)
2. In noncrop open pasture, range, woods, or in the farmstead.

Contracts will not be approved for the following lands:

1. Owned by the Federal Government or by a corporation wholly owned by the Federal Government.
2. Owned by a State, county, town, or local government or subdivision of these units of government.

3. Owned by social clubs, recreational clubs, country clubs, golf clubs, and cemeteries or cemetery associations.
4. Land of which ownership has changed since December 31, 1956, unless the change of ownership occurred because of inheritance or the execution of a will as a result of the death of the previous owners.
5. Land on a farm for which a previous Conservation Reserve contract was terminated for all land under contract for a period of 36 months after such termination.
6. A farm that was idle during both 1958 and 1959 unless the farm was idle as a result of a Conservation Reserve contract or an Acreage Reserve agreement.

THE FARM PERMITTED ACREAGE

A "permitted acreage" is established for each farm on which only a part of the eligible land is placed in the Conservation Reserve.

When a farmer places land in the Conservation Reserve, he agrees to reduce his acreage of Soil Bank base crops (listed below) by the number of acres placed in the Reserve at the full diversion rate of payment. The acreage of these crops which he may produce under the contract is his farm's "permitted acreage."

The Soil Bank base crops include: --

- Corn, cotton, tobacco, rice, wheat, and peanuts -- the six "basic" crops.
- All small grains, including sorghums harvested for grain, hay, or silage.
- Field and canning peas and beans harvested for hay, seed, or silage.
- Soybeans, flax, and other oilseed crops harvested for hay, seed, or silage.
- All vegetables, strawberries, watermelons, cantaloups, and specialty cash crops such as mint -- except when grown as a home garden.
- Potatoes, both white and sweet.
- Sugar beets and sugarcane.
- Sudan, millet, annual rye grass and similar annual grasses, if harvested for seed.
- Mangels or cow beets.

Establishing Farm Soil Bank Base

A Soil Bank base is established for each farm on which only a part of the eligible land is placed in the Conservation Reserve.

To establish a farm Soil Bank base for 1960, the county ASC committee will determine the average number of acres used to produce Soil Bank base crops during 1958 and 1959. The land in the Acreage Reserve during 1958 will be figured into the average. Here's an example:

	<u>Acres</u>
Soil Bank base crops in 1958	80
Soil Bank base crops in 1959	90
Acreage Reserve in 1958	<u>20</u>
Total	190
Soil Bank base (190 divided by 2 years) . . .	95

Diversion and Nondiversion Payments

On many farms on which only a part of the eligible land is placed in the Conservation Reserve, there will be two rates of payment. One, the diversion rate, will be paid for the acreage placed in the Conservation Reserve representing a reduction in the acreage normally devoted to Soil Bank base crops on the farm. The other is called the nondiversion rate, which is 50 percent of the diversion rate approved for the contract and is paid for that acreage placed in the Conservation Reserve which does not represent a reduction in the normal acreage devoted to Soil Bank base crops on the farm. (Additional explanation of rates appears below under the heading "Basic Annual Rates.")

Large Soil Bank Base Farms

On farms with Soil Bank bases of more than 30 acres, acreage with the nondiversion payment rate can be put in the Reserve only when that acreage is at least matched acre for acre by land placed in the Reserve at the diversion rate of payment.

Soil Bank Base of 30 Acres or Less

On a farm with a Soil Bank base of 30 acres or less, the farmer may place land in the Reserve at the nondiversion rate of payment without having to place land in the Reserve at the diversion rate.

BASIC ANNUAL RATES

The county ASC committee will determine a basic annual per-acre rate for the land for which such a rate is requested. If a rate is requested for only part of his cropland, the tract or tracts must be indicated. If a rate is requested for all eligible cropland on the farm, the rate will generally be set 10 percent higher than the rate for only part of the eligible land.

The basic rate established for the land offered cannot exceed the local fair rental value for such acreage based upon the average crop production history during the past 5 years, and will reflect the relationship of the land offered to similar land in the county. If the land is rented from another person for cash or a fixed amount of a commodity, a Conservation Reserve contract cannot be approved for a per-acre rate in excess of the rent being paid for such land.

The individual rates will vary above and below the basic annual per-acre rate for the county. For each county, the upper limit for any land in a county is one and one-half times the established basic per-acre county rate. There is a national limit of \$25 per acre which may not be exceeded under any circumstances.

Nondiversion rate

For farms on which only a part of the eligible land is placed in the Reserve at the regular rate of annual payment, cropland that does not call for a reduction in the acreage of Soil Bank base crops (nondiversion acreage) may also be placed under contract. For these farms, the nondiversion rate of annual payment is 50 percent of the diversion rate approved for the contract.

For farms on which the Soil Bank base is 30 acres or less, eligible land may be put in the Reserve at the nondiversion rate of payment without making a reduction in the acreage of Soil Bank base crops. These small farms are also eligible for the higher regular rate of payment if the farmer wants to put acreage in the Reserve at the diversion rate.

OFFERS AND ACCEPTANCES

After the county ASC committee has established a basic annual per-acre rate for the land to be offered, the person requesting it is notified of the rate as a part of an application for a contract. The application form will also provide space for the farmer to make his dollars-per-acre offer to place land in the Conservation Reserve.

Only offers made at rates that are less than the basic annual per-acre rate established for the land offered will be considered by the county ASC committee.

PRIORITIES IN ACCEPTING APPLICATIONS

First consideration will be given to those who applied to place eligible land in the Conservation Reserve for 1959 and who were not offered contracts because the funds allocated to the county were insufficient to accept all applications. An opportunity will be given to such an individual to place land under contract if he is willing to do so at a rate representing the basic rate for his land reduced by the average amount of reduction for all applications filed during the 1960 signup in the county. The farmer must indicate at the time he files his rate request whether he wishes to use this preference.

Example:

An application was not accepted for the 1959 program because of insufficient funds. At the time the farmer asks for a basic annual per-acre rate for 1960, he must decide whether to accept a special rate to be determined after the signup period as follows:

Assume that a basic annual per-acre rate of \$12.00 is established for the land this farmer offers. Assume that for the county as a whole, all offers submitted amount to 75 percent of the average basic rate for the land offered on all 1960 applications in the county. Thus, the rate at which this farmer could enter into a 1960 contract under his preference would be 75 percent of \$12.00 or \$9.00 an acre.

If the producer does not elect to be in the preference category at the time of filing his rate request, he may offer his land at any rate less than his basic rate in competition with all other applicants in the county.

In applying the priority system, county ASC committees will rate by groups all the eligible applications. There will be calculated for each application a competitive rating which generally will be the percentage that the offer is of the basic annual per-acre rate. For example: If the basic per-acre rate for land offered is \$12.00 an acre and that farmer files an application for a contract at \$10.00 an acre the competitive rating would be \$10.00 divided by \$12.00 or 83.33 percent.

After all competitive ratings are calculated, the applications will be grouped as follows:

Group I - Special group for those who filed in 1959 but could not be accepted because of limited funds and have elected to accept a rate based on the competitive average of all applications.

Group II - Applications where the competitive rating is less than 70 percent.

Group III - Applications where the competitive rating is 70 percent through 74.9 percent.

Group IV - Applications where the competitive rating is 75 percent through 79.9 percent.

Group V - Applications where the competitive rating is 80 percent through 84.9 percent.

Group VI - Applications where the competitive rating is 84 percent through 89.9 percent.

Group VII - Applications where the competitive rating is 90 percent through 94.9 percent.

Group VIII - Applications where the competitive rating is 95 percent through 99.9 percent.

After all eligible applications are grouped, approvals will be given starting with Group I and continuing through the successive numerical groups to the extent that funds allocated to the county and the county and community acreage ceilings will permit. In the event applications have the same competitive rating and all such applications cannot be accepted the applications in the group will be given priority in the following order:

1. Applications offering land from farms on which land was previously placed under contract and the contract expires December 31, 1959.
2. Applications offering land which comprises all eligible land on the farm.
3. Applications offering land for the longest contract period.
4. Applications offering land which would be devoted to practices A-7 (tree planting for forestry), A-8 (tree planting for erosion control), B-7 (dams for cover protection), G-2 (water and marsh management) and G-3 (dams or ponds for fish) will be given priority over those where the Conservation Reserve acreage will be devoted to vegetative cover.
5. Applications offering land at the lowest annual payment rate per acre.
6. Applications offering the largest acreage.
7. If after applying the foregoing there are two or more applications with the same priority status, these applications will not be given a further rating unless the unobligated county authorization of funds is sufficient to approve contracts for all such applications.

THE CONSERVATION RESERVE CONTRACT

The Conservation Reserve contract between a farmer and the Secretary of Agriculture (represented by the county ASC committee) may be for not less than 3 years nor more than 10, depending on the practice to be put on the land and the wishes of the farmer.

Contracts for 3 years are limited to eligible cropland on which there is an approved vegetative cover at the time the contract goes into effect.

Contracts for land on which conservation practices are to be established must be for at least 5 years, except that contracts covering land to be planted to trees must be for 10 years.

In the contract, the Secretary of Agriculture, as provided in the Soil Bank law, agrees to:

1. Share the cost of establishing approved conservation practices on the land placed in the Conservation Reserve.
2. Pay an annual rental on this land while the contract is in effect.
3. Protect during the contract period the acreage allotment history if acreage of allotment crops is diverted into the Conservation Reserve.

In the contract, a farmer agrees to:

1. Place specific tracts of land in the Conservation Reserve.
2. Keep the Conservation Reserve in the approved practice throughout the contract.
3. Harvest no crop from this land, except wildlife, or timber under good forest management. The harvest of Christmas trees, Christmas greens or ornamentals is not permitted.
4. Permit no grazing on this land.
5. Prevent the Reserve land from becoming a source for spreading noxious weeds.
6. Comply with acreage allotments.
7. Reduce crop production by as many acres as are placed in the Conservation Reserve at the diversion rate of payment.

CONSERVATION PRACTICES

Each county ASC office will have a list of soil, water, forest, and wildlife conservation practices that are approved for the county. Since the practices are adapted to local conditions, the requirements for carrying out a practice will vary from State to State and may also vary within a State.

Cost-share payments will cover a part of the cost of establishing the conservation use on the Reserve.

The national list of approved practices includes three groups:

Land Cover - Practices designed to get a protective cover of grasses and legumes, or trees, or shrubs established on the land:

1. Planting a permanent cover of grasses and legumes to protect soil or to change land use, including treatment of the land with lime, fertilizer, or gypsum if necessary to establish such cover.
2. Establishing trees or shrubs for erosion control, watershed protection, shelter-belt, or forestry purposes.
3. Planting grasses or legumes for winter protection from erosion.
4. Planting grasses or legumes for summer protection from erosion.

Water Conservation - Practices to help conserve water:

1. Constructing dams, pits, or ponds to permit grazing management as a means of protecting vegetative cover on land not placed in the Conservation Reserve. When the water is used for livestock, it must be piped or diverted from the pond to land not in the Conservation Reserve.

Note: Practice C-14 (dams, pits, or ponds for irrigation) has been discontinued beginning with the 1960 program.

Wildlife Conservation: - Practices designed especially for wildlife protection:

1. Establishing and managing cover specifically beneficial to wildlife. The kinds of plants and the methods of planting and managing them may vary from State to State and in different parts of the same State.
2. Water impounding to benefit fish and other wildlife. This practice includes the development of shallow water areas to improve habitat for waterfowl, fur animals, and other wildlife.
3. Building dams or ponds for fish.

GENERAL PROVISIONS

Acreage Ceilings for 1960

A limitation on the percentage of cropland in a county or in a community that may be placed in the Conservation Reserve is in effect for 1960.

If 25 percent or more of the cropland in a county or community is in the Conservation Reserve as a result of contracts in effect for 1959, no program will ordinarily be offered for 1960.

In a county or community in which less than 25 percent of the cropland is in the program as a result of contracts in effect for 1959, the acres of cropland approved for new contracts in 1960 plus existing contracts generally cannot exceed 25 percent of the cropland.

These ceilings may be raised or lowered under special circumstances.

Minimum acreage

In most counties, the smallest amount of land that can be put in the Reserve is 5 acres. When the entire acreage to be put in the Reserve is to be planted to forest trees, however, the minimum is 2 acres.

In counties where the average tillable acreage on farms is relatively small, the county ASC committee may be authorized by the State ASC committee to see a smaller minimum for a farm, but this cannot be less than 1 acre.

Maximum payment

The maximum annual payment that any producer may receive regardless of the number of farms in which he has an interest is \$5,000.

Rights of tenants and sharecroppers protected

If a farmer has tenants or sharecroppers on his farm, the contract will specify the basis on which they will share in the annual payments. This arrangement must be approved by the county ASC committee as being fair and equitable. Cost-sharing payments for conservation work will be made to the individual who carries out the practice for which the costs are shared.

If the contract is violated

The public's interest must be protected if the objectives of the Soil Bank are to be achieved. The interest of all farmers who carefully comply with the program's provisions also must be protected. For these reasons, penalties are provided when contracts are violated. The county ASC committee checks all contracts for compliance.

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